Wednesday, May 13, 2009 Contact Jim Hubbard (202) 225-2671

Historic Coalition Consists of Democrats, Republicans, Business Groups and Labor Unions

(WASHINGTON, DC) - A bipartisan group of members, including U.S. Reps. Ron Kind (D-WI), John Barrow (D-GA), Jim Gerlach (R-PA), Bill Young (R-FL) and Russ Carnahan (D-MO), along with the National Federation of Independent Businesses (NFIB), Service Employees International Union (SEIU), National Association of Realtors, Families USA, National Partnership for Women and Families, and National Restaurant Association yesterday reintroduced the Small Business Health Options Program (SHOP) Act, H.R. 2360, legislation designed to make health insurance more available and affordable for small businesses and their employees.

The SHOP Act would make health insurance less costly, more predictable, and more accessible for the 47.1 million employees of the nation's 5.8 million small businesses, including family farms, and for the 14.1 million self-employed individuals in America.

"America faces many serious challenges but the rising cost of health care represents one of the greatest economic threats to individuals and families, and our nation's long-term fiscal stability," said Congressman Carnahan. "Rising costs of health care are crippling our nation's businesses, both large and small."

This bill allows small businesses and the self employed to band together in a statewide or nationwide pool to obtain lower health insurance prices by spreading their risk over a larger number of participants.

The SHOP Act also provides small business owners with an annual tax credit of up to \$1,000 per employee (\$2,000 for family coverage) if they pay for 60 percent of their employees' premiums, and a bonus tax credit if they pay for more than 60 percent of the premiums. Self-employed individuals would get a \$1,800 annual tax credit (\$3,600 for family coverage) to purchase health insurance.

"While our nation works to get out of this economic crisis, American businesses spend more than twice as much on health care as their foreign counterparts, putting them at a severe disadvantage," said Carnahan. "This bipartisan legislation, with Congressman Kind's leadership, brings together organizations representing diverse interests. The SHOP Act serves as a health care reform model by bringing individuals and businesses together, cutting administrative costs, allowing small businesses to pool their coverage to reduce costs and banning the practice of rating insurance costs based on health status."

"For so many small business owners the cost of healthcare is unsustainable," said Dan Danner, president and CEO, National Federation of Independent Business. "SHOP is a bipartisan, bicameral bill that pursues uniform insurance market reforms greatly needed for our nation's job creators."

"The current economic crisis shows just how broken America's healthcare system is - too many hardworking people are struggling to afford care or being crushed by skyrocketing costs," said Andy Stern, President of SEIU. "As we move toward comprehensive health care reform, this bill has important ideas of ways to help small businesses and help millions of workers, including tens of thousands of SEIU child care workers, afford the health coverage they need."

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